



**Part 1: News Analysis**  
**Issue 14 (2008)**  
**March 28-April 3, 2008**

This week, Turkmenistan made its debut at the NATO summit with its first appearance at a meeting of the Western security organization since joining the Partnership for Peace in 1994, when it was the first Central Asian nation to participate. Turkmenistan's motivation for making gestures to the West at the risk of facing Russia's ire appeared to involve pragmatic considerations of keeping all options open as it faces pressures from five powers -- US, Europe, Russia, China and Iran -- all competing for dominance over its energy supplies. Last week, at a conference about investment in Turkmenistan's hydrocarbon sector, Ashgabat reiterated that it "does not rule out" supporting the Western-backed Trans-Caspian pipeline to reduce dependence on Russian-owned pipelines.

Turkmenistan's overture to the West was largely overshadowed by a split in NATO itself over whether to accept Ukraine and Georgia as new members, with Germany and France successfully resisting U.S. support for the new members despite Russia's opposition, and Greece refusing to approve Macedonia's membership. But NATO officials used the summit as an opportunity to pitch to Central Asian nations their proposal for constructing a rail line to Afghanistan through Russia and six other countries, including Turkmenistan, in order to supply its long-term military presence. Some experts believed that Russia would withhold cooperation with the Afghanistan war effort as a bargaining chip to delay membership in NATO for Ukraine and Georgia, yet NATO's existing internal disagreement over membership appeared to obviate the need to link the issues. Central Asian nations expressed concern about ensuring that the land route, titled the Line Communication, be used only for non-lethal materials.

In addition to ensuring the best market for its natural gas, Turkmenistan seems to be seeking to enlist NATO to control its borders and counter the threat to central rule posed by the powerful Mary region clan, said to be involved in drug trafficking at the border, Stratfor noted. Turkmenistan faces mounting drug addiction in its armed forces, so severe that the problem has been mentioned twice in cabinet meetings in the last month, with increasing numbers of overdoses among recruits, Turkmen Initiative for Human Rights reported

A list of universities and scientific institutes accepting applications for graduate study was published in the state newspaper *Neitral'niy Turkmenistan* but with an April 14 deadline, which raises concerns over how candidates would manage to prepare on time. The requirement for completion of compulsory higher education and five years of work also appeared to considerably limit many candidates' prospects for graduate education. Those who have obtained degrees abroad may also apply to graduate school if their diplomas are recognized by the Turkmen Ministry of Education. While a sign that President Berdymukhamedov is pursuing his promised course of educational reforms, the stiff requirements and uncertainty over the recognition of Russian and other diplomas mean that in reality, Turkmenistan will be slow in recovering from the years of dictator Niyazov, who crippled science by dismantling higher education.

The Turkmen Central Bank announced that since the opening of 145 currency exchange offices around Turkmenistan, the exchange rate of the manat against the U.S. dollar has remained stable, and the government has no intentions of changing it. The Central Bank also said there were enough reserves to meet demand to ensure that citizens can "freely exchange an unlimited amount of currency." However, the Turkmen Institute for Human Rights reported that authorities were able to claim stability only by limiting the availability of manats, which were already in short supply in the economy. State employees are frequently paid late, and only some entrepreneurs have cash on hand, given that staples such as gas and electricity are free or subsidized.

## Part 2: News Digest

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### 1. INTERNATIONAL RELATIONS

#### a. Turkmenistan Takes Part in NATO Summit

**Original title:** Central Asia: Odd Couple Crashes NATO Summit

**Source:** Radio Free Europe/Radio Liberty/04/01/08. Copyright (c) 2008. RFE/RL, Inc. Reprinted with the permission of Radio Free Europe/Radio Liberty, 1201 Connecticut Ave., N.W. Washington DC 20036.. Excerpt prepared by OSI Turkmenistan Project.

**Full version:** <http://www.rferl.org/featuresarticle/2008/04/67194cd3-b7cd-419a-9b53-f8f61a3055bf.html>

Excerpt: NATO's Bucharest summit opens this week with two unlikely guests: the presidents of Turkmenistan and Uzbekistan. Uzbekistan's Islam Karimov is making his second appearance at a NATO summit; but it's the first time that a Turkmen president has attended such a gathering. Gurbanguly Berdymukhamedov and Karimov will sit beside NATO leaders long critical of their authoritarian governments' lack of human rights and democracy. Which begs the question: What do the trans-Atlantic alliance and these iron-fisted leaders have to talk about? The answer is more than meets the eye, including Afghanistan and the war on terror.

Turkmenistan and Uzbekistan, both of which border Afghanistan, have a big stake in what happens in that South Asian state -- and a potentially major role to play in NATO's efforts there. Russia is also seen as an emerging non-combat contributor to NATO's Afghan operations.

[Passages omitted: on U.S. call for greater NATO participation in battle against Taliban; on analysts' estimations that Russia will offer a land route for logistical supplies to reach forces in Afghanistan, with cooperation of Central Asia states; and Russia's possible insistence on making NATO access contingent on delaying bids by Ukraine and Georgia to join NATO.]

[Passages omitted on Turkmenistan and Uzbekistan's interest in proposals from NATO to increase security in Afghanistan; Uzbekistan's interest in NATO to address domestic terrorist threats, and coincidental cooperation of U.S. Central Command with President Karimov followed by strike against Al-Qaeda commander.]

[Passage omitted: on Turkmenistan's desire to end its past isolation under Saparmurat Niyazov.].

Part of that isolation was founded on the principle of Turkmenistan's never being a member of a military alliance, though ironically Ashgabat in 1994 became the first Central Asian state to sign on to NATO's Partnership for Peace program. Several days before the summit, Berdymukhamedov said he wants Ashgabat included in NATO peacekeeping efforts. He recalled that Turkmenistan has UN-recognized status as a neutral country, which makes it well suited to host peace talks in a region where conflicts are on the rise. That would clearly boost the Turkmen president's bid to improve Ashgabat's international image and reduce its isolation.

Berdymukhamedov has also been listening to offers for alternative export routes for Turkmen natural gas. While the NATO summit will focus on security, it's reasonable to think the Turkmen leader may also discuss pipeline deals with European leaders on the sidelines of the Bucharest gathering.

## **b. Turkmenistan Attends NATO Meeting to Balance Relations with Russia: Stratfor**

**Original title:** *Turkmenistan: Cozying up to NATO*

**Source:** *Stratfor/ 03/24/08/ Synopsis prepared by OSI Turkmenistan Project.*

**Full version:** [http://www.stratfor.com/analysis/turkmenistan\\_cozying\\_nato](http://www.stratfor.com/analysis/turkmenistan_cozying_nato)

**Synopsis:** President Berdymukhamedov is looking to balance his country between the West and Russia, stratfor.com commented on the eve of the NATO summit in Bucharest. Stratfor sees five major forces -- the US, Europe, Russia, China and Iran -- competing for dominance over Turkmenistan's energy supplies. Whereas Turkmenistan maintains an official policy of neutrality, it is an unofficial observer of the Shanghai Cooperation Organization, attending nearly all of its meetings and it has signed the NATO partnership for peace in 1994, though it never attended a meeting until now. According to stratfor.com, Niyazov signed the agreement with NATO with the intention of enlisting its help to control the powerful Mary regional clan, said to control drug trafficking.

Berdymukhamedov has been more proactive than his predecessor in seeking relations with all the forces surrounding him and keeping all proposals on the table. A key issue in the struggle between Washington and Moscow over Turkmenistan, says stratfor.com, is the existence of many Soviet-era military bases left unused, some strategically placed near Iran and Afghanistan. But Ashgabat "wants more than either side is currently offering and recently asked Moscow to help it carry out a military upgrade, primarily for its air force," says stratfor.com. Russia is evidently deliberating whether it will arm a country growing closer to the West and demanding higher energy prices.

## **c. At Summit, NATO Pitches Rail Line Project to Central Asians**

**Original title:** *To Afghanistan via Russia: NATO Focuses on Central Asia Ahead of Summit*

**Source:** *New Europe/neuope.eu/03/31/08. Synopsis prepared by OSI Turkmenistan Project*

**Full version:** [http://www.neurope.eu/view\\_news.php?id=84864](http://www.neurope.eu/view_news.php?id=84864)

**Synopsis:** As leaders of Afghanistan and Central Asia gathered in Bucharest as guests at the NATO summit, NATO officials told journalists at a press conference March 31 that the Western alliance expects to remain in Afghanistan to lead military operations at least until 2011-2012 and remain another six to seven years after that to provide training and construction, neuope.eu reported. Central Asia plays a key role in NATO's plans as the route to Afghanistan runs through its territory. NATO's Special Representative for the Caucasus and Central Asia, Robert Simmons said that NATO plans to resume negotiations with the leaders of the Central Asian states on delivery of supplies to Afghanistan by land. A project titled "Line Communication" envisions transport of cargo through six countries including Turkmenistan.

NATO had previously raised the project with Turkmenistan and other Central Asian nations in 2003, but gained no consent, and succeeded only in getting an air corridor through Russia and Central Asia, neurope.eu reported. The last 15 years of air cargo has proved very costly, and NATO's objective is to reduce air freight expenses. After discussion with countries in the region to define what freight was considered "military" a proposal was developed to allow non-lethal material such as water and transport vehicles to be shipped along rail lines through the region. NATO hopes to reach agreement on the project first with Russia and then renew negotiations with other regional leaders. According to neurope.eu, experts believe that the Line Communication project may become a bargaining chip for Russia regarding future membership for Georgia and Ukraine.

#### **d. Deputy Chairman of Turkmen Cabinet of Ministers to Travel to Paris**

**Original title:** *Turkmen Vice Premiere Tachberdi Tagyyev to Hold Talks in Paris*

**Source:** *turkmenistan.ru/04/02/08. Synopsis prepared by OSI Turkmenistan Project*

**Full version:** [http://www.turkmenistan.ru/?page\\_id=3&lang\\_id=en&elem\\_id=12496&type=event&sort=date\\_desc](http://www.turkmenistan.ru/?page_id=3&lang_id=en&elem_id=12496&type=event&sort=date_desc)

**Synopsis:** Tachberdy Tagyyev, deputy chair of the Cabinet of Ministers, will lead a delegation of Turkmen officials to France to study advanced technologies in the energy and food production sectors for application in Turkmenistan, turkmenistan.ru reported, citing the presidential news agency. Bayrammyrat Myradov, executive director of the executive board of the Presidential State Agency for Management and Use of Hydrocarbon Resources, and Nokergul Atagylyev, Minister of Trade and Foreign Economic Relations will accompany Tagyyev.

## **2. DOMESTIC DEVELOPMENTS**

### **a. Turkmenistan to Accept Graduate Students Again**

**Original title:** *Turkmenistan Will Have Its Graduate Students Again*

**Source:** *Deutsche Welle/dw-world.de/Neitral'niy Turkmenistan/04/02/08 Translation and synopsis prepared by OSI Turkmenistan Project.*

**Full version:** <http://www.dw-world.de/dw/article/0,2144,3229292,00.html>

**Synopsis:** A list of universities and scientific institutes accepting applications from graduate students has been published in the state newspaper *Neitral'niy Turkmenistan*, Deutsche Welle reported. Applicants who have completed compulsory higher education and have five years of work experience are eligible to compete for openings. Those who have obtained degrees abroad may also apply to graduate school if their diplomas are recognized by the Turkmen Ministry of Education. The deadline for applications is April 14, after which entrance exams will commence immediately.

According to Deutsche Welle, under deceased dictator Saparmurat Niyazov, science virtually ceased to exist in Turkmenistan. The new application process follows from President Berdymukhamedov's educational reforms begun in 2007.

### **b. Turkmen Soldiers Increasingly Addicted to Drugs: TIHR**

**Original title:** *Soldiers and Drugs*

**Source:** *Turkmen Initiative for Human Rights (TIHR)/04/01/08. Synopsis prepared by OSI Turkmenistan Project.*

**Full version:** <http://www.chrono-tm.org/?02570439340000000000000011000000>

**Synopsis:** At a meeting with NATO Secretary General Jaap de Hoop Scheffer [this week], Turkmen President Berdymukhamedov agreed that "joint efforts in combating terrorism and drug trafficking will serve the interests of both the region and the European countries," Turkmen Initiative for Human Rights (TIHR) reported.

The NATO chief may be unaware of just how closely the Turkmen army is connected to drugs, says TIHR. The spread of drugs is so rampant among the military of the Turkmen army that this issue is raised virtually at

every meeting of the State Security Council of Turkmenistan, TIHR reports. At the Council meetings on March 3 and March 20, the Turkmen president mentioned the need to step up efforts to combat drug trafficking. Drug abuse among young conscripts and even among young officers has become critical. Drugs are brought to military bases and sold to draftees, and the soldiers themselves seek out drug connections off of the bases. Older soldiers get the new recruits hooked. The soldiers spend money sent to them by their parents, to supplement their meager army rations, on drugs.

There are numerous cases of deaths among soldiers from drug overdoses and from drug-induced brawls. Draftees sent to the border-security forces have been killed trying to stop drug smugglers. The incidents are kept classified at the military prosecutor's office and parents are unable to find out the true cause of their sons' deaths. Whether NATO officials learn about such cases or not, it is not likely to improve the situation in the Turkmen army.

### 3. ECONOMIC NEWS

#### a. President Receives Bouygues Executives to Discuss Projects in Turkmenistan

**Original title:** *President of Turkmenistan Receives the Bouygues Top Managers*

**Source:** *Official government website/03/28/08. Synopsis prepared by OSI Turkmenistan Project.*

**Electronic version:** <http://www.turkmenistan.gov.tm/en/?idr=1&id=080328b>

**Synopsis:** President Berdymukhamedov received the top executives of Bouygues including Aldo Carbonaro, Vice President, Charles Santer, Regional Projects Director, and Aleksey Reshov, Commercial Director for Central Asia, to exchange views on further development of cooperation on a "long-term mutually advantageous basis," Turkmenistan's State News Agency (TDH) reported.

The Bouygues executives reported on measures taken to eliminate the shortfalls which the President had pointed out during a recent working trip around the Turkmen capital, and informed him of progress made on their new construction projects. These included a fashionable five-star hotel, which would house the offices of the public organizations that are the members of the Galkynysh National Movement as well as administrative buildings of the Ministry of Education, the Ministry of Foreign Affairs, among others.

The French businessmen presented a draft blueprint for a building to house the Institute of International Affairs established in accordance with the Decree of the President of Turkmenistan and the draft blueprint for the Ashgabat International Airport. After thoroughly considering the blueprints, President Berdymukhamedov focused on the need to accelerate the project and construction works while stressing the high quality of the work performed, TDH reported.

According to TDH, Bouygues assured the president that the suggestions and proposals put forward during the meeting would be taken into account. They were conscious of "the honor of contributing to the epoch-making reforms in Turkmenistan and would meet their contractual obligations through employing its great expertise and capacity for these purposes."

#### b. Turkmen Bank Official Says National Currency Rate to Remain Stable

**Source:** *BBC Monitoring--Central Asia/Turkmen TV Altyn Asyr/03/29/08.*

[Presenter] The fact that the exchange rate of the Turkmen manat [national currency] against foreign currency remains unchanged shows that our national currency is becoming strong. This can be observed at exchange offices where our compatriots can freely exchange an unlimited amount of currency. This is what an official of the Central Bank of Turkmenistan has said.

[Ovezgeldi Garayev, captioned as a senior expert of the Central Bank] As you know, at the beginning of the current year, 105 currency exchange offices were set up all over the country, and at present, their number reached 145. All of them operate under licenses issued by the Central Bank of Turkmenistan.

[Passage omitted: a relevant presidential resolution was issued in December 2007]



Concerning the availability of our national currency as well as foreign currency, let me say that at present, the reserves at the Central Bank of Turkmenistan, both in national and hard currencies are well enough to meet the demand of organizations and enterprises as well as entrepreneurs and their customers. I would also like to note that the exchange rate of our manat remains within reasonable proportions against the foreign currency which in turn, ensures stable growth of all sectors of the national economy. In this regard, let me make it clear once again for organizations and enterprises, entrepreneurs and the public that the Central Bank of Turkmenistan does not have any intention to change the commercial exchange rate of the Turkmen manat against foreign currencies.

### **c. Turkmenistan Running Out of Manat at Foreign Currency Exchanges: TIHR**

**Original title:** *Turkmenistan: Shortage of National Currency at Exchanges*

**Source:** *Turkmenistan Institute for Human Rights (TIHR)/03/27/08. Synopsis prepared by OSI Turkmenistan Project*

**Full version:** <http://www.chrono-tm.org/?0266043928000000000000011000000>

**Synopsis:** Three months after Turkmenistan opened up foreign currency exchanges, they have begun to run short of the national currency of Turkmenistan, the manat, the Turkmen Institute for Human Rights (TIHR) reported. The émigré organization has received reports from Mary, Turkmenabat and other eastern cities that customers with dollars are being turned away due to lack of manats. The shortage is attributed to remittances sent in US dollars from Turkmens living in Turkey, Russia, Ukraine, and elsewhere, to their relatives who remained behind in Turkmenistan.

TIHR also attributes an overall shortage of cash in the economy to the Turkmen government's policy of providing salt and gas free of charge, and low fees for electricity and housing, subsidizing much of the population living at the poverty level. Prices for food and transportation are also fixed, and that means that cash circulates only in the hands of vendors and taxi drivers. There are frequent delays of payment of manats to state workers such as teachers, doctors, and soldiers and banks routinely face cash shortages. Employees in Lebap and Mary received their January and February salaries only in March in small-denomination bank notes. While the state has succeeded from December 2007 through February 2008, in reducing the black-market rate of the dollar from 24000 to 20000 manats, this is not a sign of a strengthening currency, says TIHR, as prices have risen and purchasing power has dropped.

### **d. Trans-Caspian Gas Export Route "Not Ruled Out" - Turkmen Official**

**Source:** *BBC Monitoring--Central Asia/03/30/08/ITAR TASS/03/29/08. Synopsis prepared by OSI Turkmenistan Project*

**Synopsis:** Turkmenistan may consider construction of the Western-backed Trans-Caspian pipeline out of "economic pragmatism," ITAR-TASS reported, citing Bayrammyrat Muradov, chief executive of the presidential agency for management of hydrocarbon resources, at an international conference on investment in Turkmenistan's gas sector.

Muradov reiterated remarks made earlier by President Berdymukhamedov that Turkmenistan "does not rule out" the Trans-Caspian route, adding that there should be "solvent purchasers" and "economic expediency" for the project, as required by President Berdymukhamedov's "policy of economic pragmatism," ITAR-TASS quoted him as saying. Myradov indicated that the "northern Russian route is most appropriate for Turkmenistan at present as well as in the future," ITAR-TASS reported.

### **e. Turkmenistan Airlines Orders Three Boeing 737s**

**Original title:** *Turkmenistan Airlines Order Boeing 737*

**Source:** *Synopsis prepared by OSI Turkmenistan Project*

**Full version:** <http://www.boarding.no/art.asp?id=30856>

**Synopsis:** The Boeing Company confirmed an order for three Next-Generation 737s by national flag carrier Turkmenistan Airlines, according to the industry website [boarding.no](http://www.boarding.no), which cited an announcement from Boeing. The order for two 737-900ERs and one 737-700 is valued at approximately \$221 million at list prices.

Turkmenistan Airlines' all-Boeing fleet currently includes 717s, Classic and Next-Generation 737s, 757s, and one 767.

The 737 has logged more orders than any other commercial jet model in history, says Boeing.

## **f. Website Looks at Fate of Late Turkmen President's Assets**

**Source:** BBC Monitoring--Central Asia/04/01/08/Turkmenskaya iskra/tm-iskra.org/03/28/08. Translation and synopsis prepared by OSI Turkmenistan Project

**Full version:** <http://www.tm-iskra.org/20/08/babki-bashi.htm>

**Synopsis:** The Turkmen émigré opposition site tm-iskra.org speculates where the riches of deceased Turkmen dictator Saparmurat Niyazov have gone, BBC Monitoring reports. Forbes reported estimates of Niyazov's fortune in 2006, but the information is questionable as it was based only on official Turkmen media sources, says tm-iskra.org.

The site provides a list of possible assets that include an estimated several billion dollars said to be in Deutsche Bank, the presidential palace presented to Niyazov as a gift by the Mejlis (parliament) of Turkmenistan, and funds in the International Fund of Saparmurat Niyazov, which was founded in 1993 with banking accounts abroad, and was closed in June 2007 by the current Turkmen leader, Gurbanguly Berdimukhamedov. No information has been provided about the status or disposition of the money in the fund. The site also says there are assets from the Niyazov regime in the United Arab Emirates, Turkey, and possibly Israel, comprised of kickbacks from companies that had construction projects in Turkmenistan, though little is known about these funds. Other assets include real estate in Austria and Russia and an investment in the Russian company Itera said to be worth \$700 million.

Ronal Wiechert of Deutsche Bank told tm-iskra.com that Niyazov never opened a personal account, but an account was made by the Central Bank of Turkmenistan. He also said the bank never opened anonymous accounts "payable to bearer," i.e. to whomever knew the passwords. Yet Niyazov apparently was the sole person to know the passwords to various accounts and used them personally on behalf of the Central Bank, claims tm-iskra.org. The site also noted that no information has been received about the status of the palace, and whether the Mejlis reversed its previous decision to give it as a gift.

Tm-iskra.org cites rumors that General Akmyrat Rejepov, Niyazov's bodyguard and former head of presidential security, was imprisoned last year for his alleged efforts to return some of the money from the Niyazov fund to the state. The site also raises speculations on the Itera investment, which Turkmen authorities allegedly attempted to recover, but were only able to get a pledge from Itera that the funds would be reinvested in Turkmenistan..

*Unless otherwise indicated, all translations have been prepared by OSI's Turkmenistan Project.*

### About the Turkmenistan Project

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